

SECRET

3 November 1964

MEMORANDUM

TO: Mr. Abbot Smith, DAD/EE

FROM: G. A. Carver, Jr., OTE/FE

SUBJECT: Princeton Consultants Meeting, Morning Session,  
Thursday, 29 October 1964

1. Mr. Carver of the FE Staff opened the session with a briefing on the situation in Southeast Asia, roughly half of which was devoted to South Vietnam. On South Vietnam, Mr. Carver saw many grounds for grave concern but did not feel that despair was necessarily warranted. He called attention to the fact that South Vietnam was probably in the process of a social revolution in which power was shifting from the foreign-oriented, predominantly French-educated mandarin class to a much more indigenous, intensely nationalistic Vietnamese group. This shift is producing and will produce considerable political stress and dislocation but, in the long run, could be beneficial for US interests. North Vietnam, Laos, and Cambodia were briefly touched on and related to the situation in South Vietnam.

2. On Thailand, it was pointed out that there were stresses within the ruling military clique and a coup would always be possible though at the present moment one seemed unlikely. Subversion in

SECRET

**SECRET**

the northeast remains a potential threat but not an immediate menace. On Malaysia, the problems of confrontation and the tensions between the predominantly Chinese political leaders of Singapore and the ruling peninsular forces represented by the Tunku and Tun Razak were commented upon. On Indonesia, current confrontation activities were discussed as were Sukarno's foreign policy difficulties and recent setbacks, the possibility of pressure on Timor, and the fact that the old alleged "triangle" of Sukarno, the Army, and the PKI probably had little present relevance to the Indonesian political scene. During the past eighteen months, Sukarno had become increasingly dependent on the Communists, and their power had grown commensurately. On Burma, relatively little was new. Ne Win was still finding the Burmese road to socialism a rocky one beset with many pitfalls.

3. The discussion which followed this briefing generated relatively little controversy. On the whole consultants seemed to be in accord with the views outlined above. Mr. Pye thought that perhaps too much stress had been laid upon rivalry between Lee Kuan Yew and the Singapore Chinese with the Kuala Lumpur government headed by the Tunku. Also, he was perhaps more optimistic about Malaysia's long-term future than Mr. Carver had been. On Indonesia, however, Mr. Pye felt that perhaps Mr. Carver had not

**SECRET**

SECRET

been quite pessimistic enough. Mr. Pye strongly seconded the view that Sukarno was coming under Communist domination and, further, felt that deterioration in the Indonesian economy was fast reaching the critical point. It was noted that Indonesia's economy had long been deteriorating and past cries of "wolf" had proven premature. Mr. Pye acknowledged this but said he felt this time a "wolf" cry might be justified. Mr. Armstrong seconded the thoughts advanced on Burma and provided some further illustrations from his own recent visits there. Mr. Milliken, Mr. Kinger, Mr. Billington, Mr. Knorr, Mr. Black, Mr. Hoover, and others all spoke, but none disagreed in significant measure with the thoughts advanced in the ONE Staff briefing.

4. There was considerable discussion of whether the general situation in Southeast Asia should be described as "hopeless". The consensus of opinion seemed to be that if anyone were looking for a tidy situation or stable governments, Southeast Asia was obviously "hopeless." However, the region was not necessarily going to fall under Chinese Communist hegemony and its very disarray was not necessarily inimical to long term US interests.

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